

**Where can you get help?**

You can visit or call any of the following offices to have Form BT-1 processed and/or for any additional information about sales or use tax. These offices are open Monday through Friday from 8:15 a.m. to 4:45 p.m.

**Bloomington Office**  
(812) 339-1119

**Clarksville Office**  
(812) 282-7729

**Columbus Office**  
(812) 376-3049

**Evansville Office**  
(812) 479-9261

**Fort Wayne Office**  
(260) 436-5663

**Indianapolis Office**  
(317) 233-4015

**Kokomo Office**  
(765) 457-0525

**Lafayette Office**  
(765) 448-6626

**Merrillville Office**  
(219) 769-4267

**Muncie Office**  
(765) 289-6196

**South Bend Office**  
(574) 291-8270

**Terre Haute Office**  
(812) 235-6046



For more information about sales and use taxes, the following publications listed below are available for your review. For additional sales and use tax exemption information, you may call (317) 233-4015. The Department also has a fax retrieval system which enables you to call from the telephone portion of your fax machine and receive information bulletins through the same fax within minutes. The TaxFax retrieval system is available 24 hours a day, 7 days a week. Call (317) 233-2329 and follow the voice prompts.

**Sales & Use Tax Information Bulletins**

| Subject  | Bulletin Number |
|--|-----------------|
| Auto Rental Excise Tax.....                          | 47              |
| Barbers & Beauticians.....                           | 27              |
| Computers and Related Equipment.....                 | 8               |
| Contractors.....                                     | 60              |
| Drop Shipments.....                                  | 57              |
| Dry Cleaners & Laundry Services.....                 | 26              |
| Farmers & Agricultural Production.....               | 9               |
| Flowers, Plants & Trees.....                         | 25              |
| Garage, Similar Sales & Auctions.....                | 20              |
| Gold, Silver or Other Metals or Alloys.....          | 50              |
| Lodgings (Tax Exemptions on Non-Reusable Items)..... | 66              |
| Manufactured Homes.....                              | 65              |
| Meals and Banquets.....                              | 7               |
| Merchandise Sold by Airway & Publications.....       | 24              |
| Motor Vehicle Sales.....                             | 28              |
| Out-of-State Merchants.....                          | 37              |
| Photography.....                                     | 34              |
| Price Discounts.....                                 | 58              |
| Prizes and Other Free Merchandise.....               | 40              |
| Rental or Leasing.....                               | 42              |
| Restaurant, Fast Food & Caterers.....                | 11              |
| Sales of Food.....                                   | 29              |
| Utilities Used in Manufacturing or Production.....   | 55              |
| Vending Machines & Holding Units.....                | 45              |
| Warranties & Maintenance Contracts.....              | 2               |
| Wholesalers.....                                     | 52              |
| County Food and Beverage Tax.....                    | 1FB             |



This brochure is designed to help the taxpayer with the who, what, when, where, and how of retail sales tax and use tax.

**Indiana Department of Revenue**  
**100 N. Senate Avenue**  
**Indianapolis, IN 46204**

Information Telephone # (317) 233-4015  
TDD # (317) 232-4952

You may e-mail the Department at:  
[www.in.gov/dor/contact/email.html](http://www.in.gov/dor/contact/email.html)



**Brochure #3**  
Revised November 2002

## Sales Tax and Use Tax ... What's the difference?

Sales tax is collected on the sale of merchandise within Indiana. The merchants collect the tax on behalf of Indiana and are held liable for the amount they should collect, even if no collection of the tax was made. Retail merchants must collect the sales tax unless they receive an exemption certificate from the purchaser, or if the merchandise is shipped out of Indiana. If sales tax is not paid to the supplier, use tax must be paid directly to the Department of Revenue. Use tax is paid on purchases made outside Indiana when sales tax is not collected. In Indiana, the sales and use tax rate is 6% of the purchase price.

## What is subject to retail sales tax?

- any retail sale (wholesale sales would be classified the same for purposes of sales or use tax);
- the renting or leasing of tangible personal property;
- the renting or furnishing of lodgings for periods of less than 30 days;
- the renting or furnishing of booths, display spaces, banquet facilities or other such accommodations;
- the furnishing of certain utility or cable TV services; and
- the storage, use, or consumption of tangible personal property within the State of Indiana.

## How to apply for a Business Permit

Before opening a retail or wholesale business in Indiana, **Form BT-1** must be filed with the Indiana Department of Revenue to register as a retail merchant for sales tax collection purposes and to receive a number to be used for exempt purchases. The **BT-1** form is used for registration of Sales Tax, Withholding Tax, Out-of-State Use Tax, Food & Beverage Tax, County Innkeepers Tax, Motor Vehicle Rental Excise Tax, and Prepaid Sales Tax on Gasoline, or a combination of these taxes. The form also allows you to add a new tax type to an existing registered location in the event your business activities expand. The **BT-1** must be signed and dated by a corporate officer, partner, owner, or resident agent of the business, before it can be processed. For each business location operating in Indiana a separate application and a nonrefundable \$25 fee for sales tax is required. A certificate will be issued for, and is to be displayed at, each place of business. This also applies to leased space operations. The certificate is valid for the lifetime of the business unless there is a change in the type of ownership.

**Form BT-1** requires the following information to be completed: (1) the name and mailing address of the applicant; (2) the type of ownership (sole proprietorship, partnership, corporation); (3) the trade name and business location; (4) the principal business activity; (5) the date business will open; and (6) names, address and social security numbers of owners, partners or corporate officers.

## What forms are to be used?

Forms are mailed annually to registered retail merchants by the Department. It is important the sales and use tax returns (**Form ST-103**) bear the same account number as appears on the taxpayer's **Registered Retail Merchant Certificate (RRMC) (Form BT-2)**. Persons selling gasoline through a stationary metered pump will file **Form ST-103MP** to report sales and use tax.

The Department may allow a retail merchant, wholesaler or manufacturer holding certificates for more than one place of business to file a consolidated return. A **Consolidated Application (Form BT-1C)** must be filed with the Department of Revenue, for each location being added to the consolidated account. A special consolidated reporting number will be assigned. The returns of one entity may not be consolidated with those of another entity.

## When are Payments due?

- If the average monthly sales or use tax liability for the period year is \$1,000 or more, the payment is due within 20 days after the end of each month.
- If the average monthly sales or use tax liability for the period year is less than \$1,000, the payment is due within 30 days after the end of each month.
- The Department may also permit a retail merchant to report and pay the sales and use taxes on a calendar quarter, if the average liability is less than \$75 per month. All quarterly returns are due by the last day of the month following the close of the quarter.
- Or, the Department may permit a retail merchant to report and pay the sales and use taxes annually, if the retail merchant's average monthly liability is less than \$10 per month. All annual returns are due by the last day of the month following the end of that reporting period.

## What is the rate of tax?

The gross retail (sales) tax is charged at the rate of 6% on the gross income received for the sales, lease or rental of tangible personal property. Use tax is paid at a rate of 6% of the purchase price.

## County Innkeepers Tax

In certain counties, an additional County Innkeepers Tax on gross income from renting rooms, lodging, etc., is charged. The rate ranges from 2% to 6%. The tax is payable monthly and is to be paid to either the county treasurer or to the Department of Revenue (depending on the county's ordinance). The due date is within 30 days after the end of the month.

## Food and Beverage Tax

In some counties an additional Food and Beverage Tax is charged, at a rate of 1%, on sales of prepared meals and beverages. The tax is payable monthly to the Department of Revenue.

## Motor Vehicle Rental Excise Tax

An additional charge of 4% auto rental excise tax is applicable on the rental of passenger motor vehicles and trucks for a period of less than 30 consecutive days. The retail merchant is required to collect the tax from the customer and make payment to the Department on a separate return filed for each business location. Exemptions to the Motor Vehicle Rental Excise Tax are: trucks with a gross weight of over 11,000 pounds, rental of a passenger motor vehicle or truck by a funeral director, and vehicles used in public transportation.

## Tax Payments by EFT

If you would like information on how to make your tax payments electronically (over the phone) call the EFT Section at (317) 615-2695.

If your average monthly tax payments exceed \$10,000, you are **required** to pay by EFT.

Preprinted reporting forms and color coded envelopes will be mailed to each registered retail merchant for your remittances. If using a regular business envelope mail to the following address:

**Indiana Department of Revenue**  
**PO Box 7218**  
**Indianapolis, IN 46207-7218**